

**Minutes of the Meeting of the
Local Television Loan Guarantee Board
September 13, 2002**

The meeting of the Local Television Loan Guarantee Board (“Board”) was held in the offices of the U.S. Department of Commerce, 1401 Constitution Avenue, N.W., Room 5851, Washington, D.C., on Friday, September 13, 2002 at 8:30 a.m.

The following people were present at the meeting:

Board

Brian Roseboro, Assistant Secretary Financial Markets
U.S. Department of Treasury

Hilda Gay Legg, Administrator Rural Utilities Service (RUS)
U.S. Department of Agriculture

Nancy J. Victory, Assistant Secretary for Communications and Information and
Administrator, National Telecommunications and Information Administration (NTIA)
U.S. Department of Commerce/NTIA

Edward M. Gramlich, Governor
Federal Reserve Board

Others

Department of Agriculture

Roberta Purcell, Assistant Administrator – Telecommunications Program, RUS
Jonathan Claffey, Deputy Assistant Administrator – Telecommunications Program, RUS
Michael Thieman, Special Assistant to the Administrator, RUS
Michael Kelly, Assistant General Counsel, Rural Utilities Division
Frank Clover, Deputy Assistant General Counsel, Rural Utilities Division
Richard Anderson, Chief Operations Branch – Telecommunications Program, RUS
Jacqueline Rosier, Management Analyst – Telecommunications Program, RUS

Department of Commerce

Kathy Smith, Chief Counsel, NTIA
Daniel Cohen, Chief Counsel for Regulation, OGC

Federal Reserve Board

John Lopez, Special Assistant to Board
Michael Waldron, Counsel
Daniel Covitz, Economist

Department of Treasury

Roger Kodat, Deputy Assistant Secretary for Government Financial Policy

Michael Scott, Senior Advisor to the Deputy Assistant Secretary for Government
Financial Policy
Paula Farrell, Acting Director, Office of Government Financing
Peter Bieger, Deputy Assistant General Counsel for Banking and Finance
Jeff King, Senior Counsel

Ms. Nancy J. Victory welcomed everyone present. She thanked Mr. Roger Kodat and the Working Group for its work, to date, to implement the provisions of the Local Television Act of 2000 (“the Act”).

Ms. Hilda Gay Legg introduced Ms. Roberta Purcell, who presented a summary of the actions taken, to date, by RUS to implement the Act. Ms. Purcell provided an overview of the Act and emphasized the health, safety, and economic benefits of its implementation to rural America. She cited RUS’ fifty years of experience in administering telecommunications loan and grant programs. The summary also included:

1. Information on available funding;
2. An update on the March 14, 2001, Request for Comment & Notice of Discussion Meetings, and the April 30, 2002, Notice of inquiry. Both notices were published in the *Federal Register (FR)*;
3. RUS’ activities regarding procurement of the independent accounting firm; and
4. An update on the draft regulations.

The Board discussed, in detail, the conditions of the current marketplace, the industry, potential applicants, lenders, and rural customers.

Mr. Roger Kodat presented a summary of the actions taken, to date, by the Working Group to implement the Act. The summary included:

1. A report on the meetings, to date, of the Working Group.
2. The committees established and tasks completed and assigned thus far; and
3. Preparations for Board meeting and next actions.

The Board discussed the role of the Working Group and its committees. The Board agreed that information should be disseminated from a central place.

The Procedural Regulations were discussed in detail. The Board voted to approve the Procedural Regulations with specified changes.

Governor Gramlich recommended that the Secretary of the Treasury’s designee serve as the Chairman of the Board. The Board unanimously approved this recommendation. Mr. Brian Roseboro is the current designee of the Secretary of the Treasury.

Ms. Legg nominated Ms. Jacqueline Rosier to serve as the secretary to the Board. The Board unanimously approved her appointment.

The Board discussed the recommendations of the Working Group and unanimously approved the following:

1. The transfer, by RUS to Gov. Works, of the program's administrative funds made available through the fiscal year 2002 Agriculture appropriations for the hiring of an independent public accounting firm, external legal counsel, and other necessary consultants;
2. The selection of the recommended independent public accounting firm. The Board authorized RUS to enter into a contract with the selected independent public accounting firm no later than September 30, 2002, to assist the Board in developing underwriting criteria for the program and other tasks;
3. The identification, by the Working Group, of the funds, if any, required for the program's administration for FY 2003 and beyond;
4. The development, by the Working Group, of a statement of work to hire an external law firm to represent the interests of the Board;
5. The development, by the Working Group, of implementing regulations;
6. The development of recommendations, by the Working Group, for additional staffing requirements, if any, necessary to assist the Board; and
7. The preparation, by the Working Group, of a timeline for completion its tasks for submission to the Board.

The meeting adjourned at 9:50 a.m.

Jacqueline G. Rosier
Secretary

The Minutes of September 13, 2002, were unanimously approved by the Board. The Chair notified the Secretary on October 15, 2002.

Jacqueline G. Rosier